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ITEM 4 (a):* GENERAL POLICY ISSUES

THE FUTURE COURSE OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Report of the Executive Director

Summary

This document - the present Executive Director's first policy statement to the Governing Council - outlines some of the Executive Director's observations about the task ahead for UNEP in the light of its redirected and expanded agenda and heightened responsibilities as a result of the United Nations Conference on Environment and Development (UNCED).

After discussing the new place of the environment on the global agenda and the developments since UNCED, it sets forth the Executive Director's views on new management approaches and programme priorities for UNEP for it to be more effective in the implementation of Agenda 21 and seeks the Council's guidance on the subject. Finally, it reviews some of the main policy aspects of the Council's seventeenth session, again presenting the Executive Director's views and proposals and seeking guidance from the Council.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

THE FUTURE COURSE OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

I. THE ALTERED WORLD ENVIRONMENT SITUATION

1. The world community now faces a rare opportunity to make the development process sustainable and thereby bring economic activities more into balance with the earth's natural systems. The two decades of continuing environmental destruction since the 1972 United Nations Conference on the Human Environment, the stagnation of many developing country economies in the 1980s and the recent slow-down in world economic growth have convinced world decision makers that sound economic development depends upon protection and enhancement of the environment and that the well-being of each of us depends as never before on the well-being of others.

2. The United Nations Conference on Environment and Development (UNCED) turned that conviction into a commitment. The results of the Conference and particularly Agenda 21[1] map out an international programme integrating environment and development for sustainable development, and shift the future focus of world concern from East-West confrontation to North-South cooperation.

3. Thus within two decades, environment has catapulted from what was regarded as largely an affluent country concern to a central component of humanity's future agenda for prosperity. And with the General Assembly's endorsement of the Rio Declaration on Environment and Development[2] and Agenda 21 and their goal for a global partnership for sustainable development, UNEP - as the principal body within the United Nations system in the field of environment - has been directed to assume a much greater responsibility in world decision-making and action.

4. This redirected and vastly expanded agenda and heightened responsibility for UNEP requires a serious review at this Governing Council session of the organization's programme and methods of work. Such a review may well make it clear that there is a need to readjust UNEP's course in a number of ways, revisit its priorities, seek some new directions and find different ways of carrying out its tasks. This will be a collaborative process over several years.

II. NEW DIRECTIONS IN MANAGEMENT OF UNEP

5. Against the backdrop of this changing situation for the world and for the United Nations' central environmental organization, the purpose of the present document - the Executive Director's first policy statement to the Governing Council - is to outline some of her observations about the task ahead for UNEP and the directions toward which the organization should move during the next four years. First and foremost, UNEP has an extremely important role in making the vital concept of sustainable development a reality. The implementation of that concept is essential for protecting life on earth.

A. *Looking ahead*

6. In preparation for this task, the Executive Director has taken a look at the organization both from the outside and inside. Since joining UNEP early this year, she has made a point of visiting many parts of the organization, travelling to each of the regional offices, meeting with heads of its outlying technical offices and visiting with the numerous

convention secretariats that UNEP manages or participates in, in order to meet the staff, share with them her views on UNEP's job and learn how they perceive it and what additional presence and service they can provide for UNEP.

7. She has also made a point of visiting as many of the partners with whom UNEP must cooperate in order to express the organization's desire to work increasingly with them in the many new tasks all face. She has met with the Secretary-General and his principal staff, with all of her counterparts in United Nations agencies and organizations and called upon the new heads of United Nations departments and of the Inter-Agency Committee on Sustainable Development, as well as the executive secretaries of the United Nations regional economic commissions. She has exchanged views with UNEP's other partners in the Global Environment Facility (GEF) - the World Bank and the United Nations Development Programme - and attended meetings of the Multilateral Fund under the Montreal Protocol, the intergovernmental negotiating committees for the climate change and desertification conventions and CITES. She has also met with leaders in non-governmental organizations and the private sector - the environmental, business, academic and scientific communities and the media. There have been many others.

8. In each of these encounters, the Executive Director has emphasized the importance of the work UNEP and all its partners face together and pledged UNEP's desire and intention to cooperate with them in striving to achieve sustainable development. The positive response and the numerous creative and constructive suggestions have been gratifying. Equally encouraging has been the general will to join hands in this effort and to accept a special responsibility to help governments integrate environment, development and population issues and translate the Rio programme into action - action which will bring the interests and the needs of South and North together, link environment to the deepening problems of poverty and benefit from the now universally recognized reality of global interdependence.

B. *UNEP and its tasks*

9. At the same time, the Executive Director has been looking inward at UNEP, reflecting on the important new mandate and tasks it has been assigned, especially by the Earth Summit. UNCED marks a new beginning for UNEP. In the presence of 106 Heads of State or Government - the largest gathering of national political leaders in history - it gave political legitimacy to the concept of sustainable development which UNEP has advocated for years and which the World Commission on Environment and Development popularized in its report *Our Common Future*.[3]

10. UNCED provided a philosophical framework backed by a substantive programme of action in Agenda 21 and approved by political leaders at the highest level. While many people will debate for years the real meaning of sustainable development and how it should be implemented, the Earth Summit forged a concept that has caught the interest of everyone and set out an agenda providing a new sense of direction. It will change the way decisions are made and hence change the decisions themselves.

11. UNCED's large new agenda of action - Agenda 21, including its proposed desertification convention, the climate and biodiversity conventions, the forest principles, the Rio Declaration, and the institution of the Commission for Sustainable Development - all add new directions to UNEP's already heavy tasks.

12. Additionally, UNCED opened an important new avenue for UNEP and, indeed, for the community of nations. It introduced a new kind of process from which there is no retreat, a process of inclusiveness, transparency, accountability, consensus-building and the development of facilitative rather than punitive instruments and approaches. Indeed, this process may be the real legacy of UNCED in this time of historic political change toward democracy.

13. Now, it is true that UNEP has been carrying out for 20 years many of the activities called for in Agenda 21, and UNEP will contribute these and other activities and programmes to Agenda 21's implementation. It is also true that chapter 38 of Agenda 21 reiterates UNEP's role and responsibility "as the principal body within the United Nations system in the field of the environment"[4] and that the Governing Council should "continue to play its role with regard to policy guidance and coordination in the field of the environment."[5] Nevertheless, UNCED and the UNCED process bring a broad new context to UNEP's work. They expand the organization's mandate from environment alone to one of sustainable development, bring environment much more into the central political agenda of the world community, and require UNEP to expand its partnership to a wider range of subjects and a wider range of organizations. UNEP must more clearly be seen as a cooperative partner on a larger arena. UNEP will more than ever before have to demonstrate innovation, flexibility and responsiveness in its programme approach.

C. *Results-oriented management for UNEP*

14. These changing exigencies mean a change in what UNEP does and the agility with which it conducts its business. If sustainability is really to be achieved, there will have to be a change in ways of thinking and acting. The Executive Director believes that UNEP can lead in this effort and that that was the intent of the Governing Council when it called in decision 16/6 for an external evaluation of the organization and management of UNEP to identify new elements to reinforce the capacity of the programme and its management to its future responsibilities. A second phase of the study addresses UNEP's work in the light of UNCED. The phase 1 study was circulated at the Council's third special session in February 1992 and was taken into account in decision SS.III/2, paragraph 11 of which requested the Committee of Permanent Representatives with Governments and the UNEP secretariat to prepare proposals to the current session for enhancing UNEP's effectiveness and efficiency, taking into account the management study. The executive summary of phase 2 of the study is being circulated as an official document of the Council at its seventeenth session (UNEP/GC.17/26, annex), while the complete text is also available, in English only.

15. To this end, the Governing Council is invited to join the Executive Director over the next four years in making UNEP a flagship of good management and good human resource practices in the United Nations system. The Executive Director believes that this can be done while building on the organization's catalytic and coordinating role.

16. The first step must be to focus increasingly on results. UNEP must provide high quality services, be efficient, flexible and adaptable and responsive to needs of Governments and people at the grassroots. The Executive Director is convinced that if UNEP can produce results from the priorities set out by the Governing Council, it can be more responsive, provide better services and gain governmental and public support. As an early measure to this end, she constituted in April 1993 a committee of UNEP staff for results-based management to help develop a clear, communicable mission statement and a model for putting UNEP on a results-

oriented management programme. With a clear concept of the results desired, the Executive Director is convinced that UNEP can move readily to decentralize authority by empowering and assigning accountability to the staff. She is also confident that this process can increase teamwork and involvement in the decision-making, thus helping UNEP strengthen, in policy-making and representation, the role of the regional offices, which are UNEP's face for many countries, and improve the interconnections among UNEP's activities and programmes for increased effectiveness and efficiency.

17. Focusing on results also means that UNEP must have a bias for action. It must become an agent of change. In the post-Rio world, expectations are very high, expectations that the policies and programmes pursued by UNEP and its United Nations partners will move beyond rhetoric. It will have to deliver tangible improvements to the health of the world's overburdened environments that will yield tangible improvements in the lives of all its people.

D. *Establishing UNEP's internal management priorities*

18. To do this, however, UNEP has to have a clear set of priorities. It can no longer be all things to all people; it cannot do everything, it must decide what it can do and do it well. With its limited staff and financial resources, UNEP cannot provide all or even most of the environmental needs for sustainable development. However, working with and through others, it can help to see that the most urgent environmental needs are provided. Priority-setting will require hard decisions for the Council and many of them will be politically ladened. Yet, courage is called for to separate the essential from the desirable.

19. A critical priority for UNEP's internal management, must be to try to make UNEP a source of intellectual competence and excellence. UNEP may not have all the muscle needed to row the boat, but it can have the intellectual capacity to help steer it. It can be on top of and involved in the critical issues, and can assist in charting the directions and providing environmental guidance, the expertise and the technical advice required to move toward environmentally sound development.

20. An equally important priority is to develop and implement a better information system that will help support efficient management. Up-to-date and reliable environmental information and data is crucial to improving policy formulation, decision-making, monitoring and evaluation of UNEP's new directions in management as well as to facilitate delegation of responsibilities and the tracking of results. In paragraphs 38.22 (f) and (g) of Agenda 21, UNEP is called upon to accord priority to the "dissemination of environmental information and data to Governments and to organs, programmes and organizations of the United Nations system", as well as to "raising general awareness and action through collaboration with the general public, non-governmental entities and intergovernmental institutions". Improving the dissemination of environmental information and data will allow UNEP to provide a better consolidated service.

21. Another internal priority will be to greatly improve the management skills and conditions of the UNEP secretariat at its headquarters and elsewhere. As a catalyser and coordinator, UNEP's real strength is in its staff, and their competence can and should be enhanced. UNEP will be starting a number of additional training programmes, administrative measures, staff incentives and internal communication vehicles to ensure that its personnel are better informed and more fully prepared to play a

full part in UNEP's work. In line with General Assembly resolutions and the Secretary-General's directives, the Executive Director is planning to take measures to involve women more in the environment programme of UNEP and to strengthen their participation in the work of the secretariat.

22. Another aim is to make UNEP a leading team player in the United Nations system, in accordance with its catalytic and coordinating role, re-emphasized by its functions related to sustainable development. Petty territorial squabbling among individual fiefdoms or turf fights with others cannot be tolerated. There is more than enough work to go around. Given the constraints on resources for all and the urgent need for results, there is simply no room or time for power-grabbing. The Governing Council should be assured that UNEP is going to be known throughout the system as a cooperative partner.

23. Some of these redirections in UNEP management approach will take time and patience. They may also require a departure from past practices. At times the Executive Director may be consulting with the Council and requesting its support in seeking assistance to go beyond certain rules and procedures in order to introduce management reforms. These reforms will, however, always be in line with Agenda 21's insistence on transparency and cost-effectiveness. The Executive Director will be reporting to the Council and calling for its help in charting UNEP's course as the flagship of good management.

E. *Governmental and United Nations system coordinating machinery*

24. UNEP's approach to implementing Agenda 21 cannot be separated from the related work now going forward within the United Nations. The following paragraphs provide an update on two aspects of this work:

(a) At the *intergovernmental level*, the establishment of the Commission on Sustainable Development and its relationship to UNEP;

(b) *Within the United Nations system*, the Inter-Agency Committee on Sustainable Development chaired by the Secretary-General to facilitate the system's implementation of Agenda 21.

25. In its resolution 47/191 entitled "Institutional arrangements to follow up the United Nations Conference on Environment and Development", the General Assembly decided to establish an intergovernmental Commission on Sustainable Development. Its functions are to monitor the progress of implementing Agenda 21, to make recommendations to the General Assembly and to interact with other United Nations intergovernmental bodies dealing with environment and development. The Economic and Social Council established the 53-member Commission at its organizational session in February 1993, and the Commission met and organized itself from 24 to 26 February 1993 in New York. It holds its first substantive session in Geneva from 14 to 15 June 1993, at which time it will agree upon its programme of work.

26. To assist the Commission, the General Assembly, in paragraph 25 of resolution 47/191 has requested the Governing Council of UNEP to report through the Commission and the Economic and Social Council to the General Assembly at its forty-eighth session on the Council's specific plans to implement Agenda 21. The Council is due to discus this matter under item 4 (b) of its provisional agenda. The Executive Director's suggestions to assist the Council in its deliberations on the report are set forth in document UNEP/GC.17/27.

27. The Executive Director has every confidence that the working relationship between the secretariat of the Commission and UNEP secretariat will be complementary and productive. She has had a number of constructive meetings with the Under-Secretary-General in the newly created Department for Policy Coordination and Sustainable Development, which provides the secretariat support to the Commission. There is a clear understanding of the respective organizational roles and complementarities and a confidence that full cooperation is possible between the two entities. The Commission will serve as a high-level political forum for implementing Agenda 21 and thus can help UNEP carry out its responsibilities to that end. It will monitor and review progress in the implementation of Agenda 21, review adequacy of funding, consider information from Governments, international organizations, and non-governmental organizations and provide reports and recommendations to the General Assembly through the Economic and Social Council. Since its mandate cuts across all segments and sectors of United Nations programmes, the Commission can help facilitate UNEP's coordination work in the environment and link that work to the development organizations. The Executive Director looks forward to UNEP cooperating fully with this new and valuable institution.

28. The Executive Director took part in the opening day of the first session of the Inter-Agency Committee on Sustainable Development, held in New York from 24 to 26 March 1993. The Committee is a principal part of the ACC's new machinery to coordinate the United Nations system's follow-up to UNCED. The Committee will ensure effective cooperation and coordination of the United Nations system's implementation of Agenda 21, assist the ACC to streamline its inter-agency coordination machinery, and share and allocate responsibility for Agenda 21 implementation by the United Nations system. It will also monitor financing requirements and assess and make recommendations on reporting needs. UNEP is among nine members of the Committee, which also includes the Food and Agriculture Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the International Labour Office, the United Nations Development Programme (UNDP), the United Nations Educational Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the World Meteorological Organization (WMO) and the World Bank. The first session was chaired by the Under-Secretary-General in the Department for Policy Coordination and Sustainable Development. The Executive Director pledged UNEP's cooperation in the Committee's work and urged it to exercise a broad, delegated approach to its mandate, setting out a framework for and principles of management, establishing priorities and holding United Nations organizations, such as UNEP, accountable for producing agreed results.

III. ENHANCING UNEP'S IMPLEMENTATION OF AGENDA 21

A. *UNEP's priorities in the light of Agenda 21*

29. With the work on both governmental and United Nations system coordinating machinery proceeding satisfactorily, it is important to be clear on UNEP's contribution to facilitate Agenda 21 implementation. A first step to that end must be to have clear programme priorities -- those established or to be established by the Council and others established by Agenda 21. Given UNEP's greater responsibility and the increasing evidence that financial and human resources will be limited, there is a need to define as precisely as possible what UNEP can effectively deliver for Agenda 21. The proposed programme of Fund activities for the biennium 1994-1995 (UNEP/GC.17/7) before the Council suggests a number of these

programme priorities, but UNEP's work would be improved if the Governing Council could define more precisely those priorities at its seventeenth session, especially in light of the UNCED outcome, and, if possible, reflect this in its report to the General Assembly.

30. In its section IV, paragraph 1, of its decision 15/1 of 25 May 1989 on strengthening the role and effectiveness of UNEP, the Council decided that UNEP should focus on eight areas of concentration: the protection of the atmosphere, including climate change and global warming, the ozone layer and transboundary air pollution; protection of freshwater quality; protection of oceans and coastal areas; protection of land resources by combatting deforestation and desertification; conservation of biological diversity; the environmentally sound management of biotechnology; environmentally sound management of hazardous wastes and toxic chemicals; and the protection of human health and quality of life from degradation of the environment. At the same session, the Council proposed to the General Assembly (decision 15/3, annex, section B, para. 4) that it should affirm that these environmental issues are among those of major concern in maintaining the earth's environment and especially for achieving sound and sustainable development in all countries.

31. At the same session, in decision 15/1, the Council was somewhat more specific on UNEP's priorities, stating in decision 15/1, section IV, paragraph 2, that within the agreed areas of concentration, UNEP should give special attention to activities related to the following areas: combating climate change and the depletion of the ozone layer; management of shared freshwater resources; control of pollution in regional seas and proper management of their coastal areas; halting desertification and deforestation; conservation of biological diversity within a broad socio-economic context; and minimization of hazardous wastes, through the development of low and non-waste technologies and the environmentally sound management of hazardous wastes and potentially toxic chemicals.

32. Now, as the Council is aware, paragraphs 38.21-38.23 of Agenda 21 call for an enhanced and strengthened role for UNEP and the Governing Council. Within the Council's mandate it should continue to provide policy guidance and coordination in the field of the environment taking into account the development perspective.

33. Paragraph 38.22 of Agenda 21 states that UNEP should concentrate on a number of priority areas, including those which UNEP already focuses on, such as its catalytic and coordinating role; promotion of cooperation in environment; environmental monitoring and assessment, especially through Earthwatch and expanded relations with private scientific and non-governmental research institutes and of operationalizing the early-warning function; coordinating and promoting scientific research; dissemination of scientific information and data; raising awareness and cooperating with outside organizations; developing international environmental law and the functioning of environmental convention secretariats; supporting integration of environmental considerations in developmental policies and programmes.

34. The same paragraph highlights as well existing areas of UNEP's activity of work which the Council has already approved but where greater emphasis may be required, as follows: developing and promoting use of natural resource accounting and environmental economics; further development and promotion of environmental impact assessments in the United Nations system and in every significant economic development project

or activity; facilitating information exchange on and training in environmentally sound technologies; promoting regional cooperation; support to capacity-building; and assessment of and assistance in cases of environmental emergencies.

35. Apart from chapter 38, as the suggested draft Governing Council report to the General Assembly (UNEP/GC.17/27) observes, almost every other chapter of Agenda 21 calls upon UNEP to play some role or undertake some specific activity, for example, in implementing conventions, preparing new ones as in the case of desertification, convening intergovernmental meetings on the protection of the marine environment from land-based sources and an intergovernmental chemical safety forum, participating in the Global Conference on the Sustainable Development of Small Island States, playing a strong role in the work of the Global Environment Facility, and enhancing cooperation with major groups.

36. Given this long and ever-growing list of demands upon UNEP, good management demands that to achieve successful results the Council and the secretariat must try to direct the organization's work into a more limited number of specific areas and activities in which it can do its best work and make a real contribution, and for which it will be held accountable.

B. *Suggested priorities*

37. While strongly and urgently soliciting the Council's views on priorities at this session, the Executive Director believes UNEP's highest priority in the coming period must be to strive with Governments and its United Nations sister organizations to implement the results of UNCED and its Agenda 21. This alone will be a tall order for UNEP under current resource constraints.

38. Within UNEP's existing mandate and the priorities of Agenda 21, chapter 38, UNEP must continue to emphasize what may be called its "environmental sensing" responsibilities, commonly referred to as UNEP's monitoring and assessment role. These include Earthwatch's gathering and evaluating of the best environmental scientific information and data and making it available to policy makers in usable form. It involves state-of-the-environment reporting, early warning and the like supported by efficient communicating and delivery mechanisms. UNEP has an important intellectual role with Governments and the United Nations system in coordinating, communicating and evaluating scientific information and data.

39. Another suggested priority is the effective execution of UNEP's catalytic role. It is not enough for UNEP to gather and distribute information. It must ensure that the information is used in the process of sustainable development and must therefore continue unceasingly to encourage, inspire and prod others to integrate environment into their developmental activities, as has to be done in activities ranging from developing international environmental law, to regional seas, environmental economics and accounting and the trade aspects of the Montreal Protocol, the Basel Convention and CITES. It must, however, be emphasized that catalysing also means that UNEP has to have the will to step back after empowering others to initiate sound operational activities. The reason for this is simple: UNEP cannot cope with all actions and programmes, nor can it even hope to command the resources needed to do so. Moreover, it simply must come to appreciate that the management of sustainable development programmes can be more successfully conducted by national governments, regional groups, non-governmental organizations, and others at the grassroots level.

40. The next priority would be capacity-building. Sustainable development can never be achieved unless it can be accomplished by national Governments and local people. UNEP must help equip them to do this. UNEP must build on its existing competence to deliver capacity-building services, working closely with UNDP and other United Nations organizations in the framework of the Capacity 21 programme. Again UNEP's intellectual input is key. It must facilitate the transfer of technology and the skills required to use it.

41. Likewise, UNEP must put greater emphasis on environmental economics, especially by bringing the relevant fruits of the new work in this rapidly evolving field to the use of developing countries. It is increasingly evident that the traditional command-and-control regulatory approaches to environmental protection are approaching the limits of their utility and that economic incentives and market-based instruments may be administratively easier, less technical and less costly approaches to environmental management. Much of the work to date has been done in industrialized countries and UNEP should help to adapt these concepts to the needs of the Third World.

42. Finally, in all of UNEP's work, much greater use must be made of regional cooperation, working with the regional economic commissions, within UNEP's own regional cooperative programmes and with the secretariats of regional groups. UNEP simply does not have the resources to function at the country level as many other United Nations agencies do. The Executive Director therefore intends to consider regular regional meetings with environment ministers, recently found so valuable in the case of environment ministers from Latin America and the Caribbean, and to make much greater use of UNEP's regional offices, which ought to participate in the policy-making work of the organization and to gather information on what is needed and happening in the regions so that UNEP can be more responsive and respond to the proposal in Agenda 21, paragraph 38 (k), for UNEP to play a major contributing and coordinating role in the regional mechanisms in the field of environment identified for the follow-up of UNCED. They should be oriented toward and help portray the active and positive face of UNEP around the world.

C. *UNEP and Habitat*

43. Special mention should be made of UNEP's relationship to the United Nations Centre for Human Settlements (Habitat). When the Secretary-General placed UNEP and Habitat under a "common head", designating the Executive Director of UNEP as officer-in-charge of Habitat he asked her to consider and recommend how the two organizations could function better in the years ahead. It must be emphasized that the two organizations are operating as separate entities. The Executive Director will meet with Habitat's Commission and then with UNEP's Governing Council and intends to consider the Governments' views on how the two organizations can best function under common direction. Both organizations have their independent programme focuses, but there are certainly some efficiencies to be achieved working more closely together, for example, in common conference and administrative services. Since UNCED, it is clear that there are a number of issues both organizations face in common, in urban and waste management matters, perhaps energy and land tenure issues. There are others. The Executive Director will be discussing with the Council and the Habitat Commission possible reinforcements and cooperation between the organizations and possible changes to be made in future. She does not hold any attitude now as to whether there should be any merging or integration of the whole or parts of the organizations, nor does she plan to make decisions or changes without careful consideration and consultation.

IV. POLICY ASPECTS OF THE COUNCIL'S SEVENTEENTH SESSION

A. *UNEP's programme for 1994-1995 and implementation of Agenda 21*

44. The details of the work programme of the Council's seventeenth session are set out in the annotated provisional agenda (UNEP/GC.17/1/Add.1). The following paragraphs contain a few brief comments on the programme of work in order to focus attention on certain policy aspects and areas where the Council's advice would be appreciated.

45. The Council will be considering UNEP's implementation of its approved programmes for 1992 and 1993. It will also be called upon to examine and approve a proposed programme of Fund activities for the biennium 1994-1995 (UNEP/GC.17/7).

46. This document must reflect UNEP's programmes and activities for the coming biennium and, most especially, the Governing Council's plans for the implementation of Agenda 21, one of the principal priorities of this Council session. As mentioned above, General Assembly resolution 47/191 requests the Council to examine chapter 38 of Agenda 21 at this session and submit a report on specific plans of implementation to the Assembly at its forty-eighth session. The Executive Director has prepared a suggested draft report (UNEP/GC.17/27) designed to facilitate the Council's discussion and formulation of its report. The draft is framed to correspond to the relevant paragraphs of chapter 38. It also addresses separately some of UNEP's planned contributions to Agenda 21's implementation which are in other chapters of Agenda 21 and includes new initiatives UNEP proposes to undertake to implement Agenda 21 and a selected number of significant existing UNEP activities that it is believed will contribute to the Agenda's implementation. The Executive Director considers satisfactory completion of and linkages between the proposed programme of Fund activities for the biennium 1994-1995 and the report to the General Assembly on Agenda 21 implementation to be of highest priority for the Council's seventeenth session.

47. Closely related to this is the request in the Executive Director's report on the follow-up to General Assembly resolutions (UNEP/GC.17/20) for the Council to take note of and endorse UNEP's active participation in three important activities called for under Agenda 21, namely: the Global Conference on the Sustainable Development of Small Island Developing States, the elaboration of an international convention to combat desertification and UNEP's convening of an intergovernmental meeting on the protection of the marine environment from land-based sources of pollution. The Executive Director believes that the Council will agree on the need for strong UNEP participation in each of these activities.

48. Another area relevant to Agenda 21 for which the Council's policy guidance is particularly sought is in furthering the experiment with the United Nations Centre for Urgent Environmental Assistance. In its decision 16/9, the Council endorsed the Executive Director's proposal to establish the Centre on experimental basis in cooperation and coordination with United Nations agencies for 18 months. The report on the Centre's development (UNEP/GC.17/29) states that a United Nations emergency centre can provide a useful service to the international community, and especially to developing countries, in addressing environmental emergencies. Indeed, several countries with excellent emergency response capabilities have expressed interest in cooperating with the Centre. However, the evaluation raised serious questions as to whether the programme and direction of the Centre in its scope and function were sufficiently oriented toward the clearing-house and brokerage role originally set out for it. There were questions as well as to whether the Centre was cooperating and coordinating

as closely with Uniced Nations agencies and especially the Department of Humanitarian Affairs (DHA) as it should to be successful. In light of the evaluation, the Executive Director is proposing to the Council that the experimental phase should be continued for two more years, during which time the secretariat will make the necessary adjustments in the direction and programme of the Centre to bring it in line with the original purpose and scope as a facilitating mechanism and not as an operating one. The secretariat will also clarify its relations and linkages with its partners in the United Nations system to ensure it is truly a United Nations centre collaborating closely with Governments. The Executive Director is confident that she will be able to give the Council at its next regular session a positive report on the Centre and how it can function successfully.

49. UNEP will contribute to Agenda 21 implementation through its environmental sensing, or monitoring and assessment, activities. The comprehensive state-of-the-environment report, *The World Environment 1972-1992 - Two Decades of Challenge*, published in December 1992, summarizes trends of environmental conditions and human actions to improve the environment and catalogues future actions required. Largely consistent with Agenda 21, the report will form a good baseline against which future progress can be measured. UNEP plans to improve upon its review of the world environmental situation and reporting and the outline of a new approach to state-of-environment reporting is before the Council (UNEP/GC.17/Inf.11).

B. *International coordinating machinery for Agenda 21*

50. There has been some changes in the international coordinating machinery which will facilitate UNEP's work and its role in implementing Agenda 21. Mention has already been made above of the establishment of the Commission on Sustainable Development and also to the establishment by the Administrative Committee on Coordination (ACC) of the Inter-Agency Committee for Sustainable Development pursuant to the report of the ACC Task Force on UNCED follow-up. The report of the Task Force as endorsed by ACC also contained a recommendation that the ACC request the Executive Director of UNEP, in the light of the ongoing restructuring of the ACC and the issues in which UNEP has been assigned a lead role by Agenda 21, to reassess the linkages of the Designated Officials on Environmental Matters (DOEM) to the ACC and its subsidiary machinery, and to submit specific proposals, after consultation with the DOEM, on system-wide coordination and cooperation in the field of the environment. The aim of the Executive Director's proposals, (UNEP/GC.17/12/Add.1) would be to enable ACC to more effectively discharge its coordinating mandate in the field of the environment as established in General Assembly resolutions 2997 (XXVII) and 32/197. The proposals are for the Executive Director of UNEP to continue to assist ACC in discharging this function by preparing policy issues for its consideration and by chairing a senior-level inter-agency environmental cooperation and coordination group to assist in this regard. Working within this framework will establish UNEP's coordinating machinery in a more central place in the United Nations system and should enable us to carry out its existing and new responsibilities effectively. UNEP will continue, of course, to cooperate actively with other member organizations in the United Nations system.

C. *UNEP management and organization study*

51. Like its Agenda 21 implementation, UNEP's future programme and its management must take advantage of the management and organization study requested by the Council's sixteenth session and referred to in

paragraph 14 above. The Executive Director believes that there is much of value in the study, and much of what is of value is simply good common sense management. Many of these latter recommendations fall well within her own management concepts and vision and she intends to work toward their implementation in the months ahead. There are some 160 individual recommendations in the second-phase report - with many more in the first-phase report. Not surprisingly there are some of those with which the Executive Director does not agree and does not intend to implement. There are some with which she does agree and does propose to implement. She agrees that UNEP should build up a capacity in environmental economics and natural resource accounting, and is moving in that direction now. She does intend to strengthen ties and work with the United Nations system and wishes to strengthen regional offices and broaden their functional responsibilities. The management group of top UNEP managers is meeting, if not every week, at least every fortnight. The Executive Director supports the proposal for longer-term contracts for UNEP staff and proposes to introduce a revised performance reporting system for staff in UNEP even though there may be some problems with the Office of Human Resources Management in New York. Action is already taken to improve communications and regular discussions are taking place with the Kenyan authorities to this end: a new telephone switch is being installed in Gigiri now and the Government of Kenya is increasing the number and routing of trunk lines available to us. The Executive Director hopes to put forward to the Council proposals for improving international communications. If the Council approves a decision of support, the Executive Director proposes that the structure of the regular budget and programme and programme support costs budget should be changed after discussions with the United Nations Budget Division and the Advisory Committee on Administrative and Budgetary Questions. However, more time is needed to consider the more radical proposals to restructure parts of the organization. It is important for the Governing Council to have the opportunity to give its views on some of these issues, so that they can be taken into account by the Executive Director in making a final decision. In the end, the final responsibility for the structure of the organization is the Executive Director's and she believes in moving carefully on the more fundamental issues. There will, however, be changes in the coming months.

D. *The Global Environment Facility*

52. The Global Environment Facility (GEF) has become a prominent source of funding for global environmental activities. The Executive Director believes firmly that UNEP must play a distinct role in the Facility's policy and management, and is determined to achieve this. Her note on GEF is being circulated as document UNEP/GC.17/23. The Facility is undergoing restructuring which will be decided in December 1993. At that time the Facility will receive a fund replenishment for another three years. GEF's governance will become more democratic through the definition of a voting formula that will protect recipient country interests and give due weight to the funding efforts of donor countries. To promote the GEF's transparency UNEP is encouraging greater access to its documents. UNEP will seek to make sure that when the GEF begins to operate as a unified funding mechanism on an interim basis for the climate change and biodiversity Conventions that its financing principles will strengthen the conventions and adherence to them. UNEP believes that GEF should provide funds to priority global and national activities even where they are not covered directly by global conventions, for example, in cases such as CITES and the regional seas conventions.

53. Restructuring of GEF calls for reconstitution of the Scientific and Technical Advisory Panel (STAP) before the end of 1993. While there will be no formal nomination process, any suggestions for possible STAP members

from Governments, non-governmental organizations, United Nations agencies and the scientific community would be welcomed. In addition to continuing to service STAP, the Executive Director plans to intensify UNEP's general scientific and technical contributions to GEF. Other guidance the Council may offer to improve UNEP's work in the Facility would be greatly appreciated.

E. *The financial situation*

54. Much of UNEP's ability to carry out its mandate and responsibilities hinges upon the level of the resources available. Even before UNCED, at both its fifteenth and sixteenth sessions, the Governing Council confirmed that the Environment Fund required $100 million per annum by 1992 if UNEP was to fulfil the tasks before it. That was not achieved.

55. Now UNEP has been assigned additional responsibilities under Agenda 21. Agenda 21, chapter 38, foresees greater resource requirements. In listing priority areas on which UNEP should concentrate, the chapter states that "In order for UNEP to perform all of these functions, while retaining its role as the principal body within the United Nations system in the field of the environment and taking into account the development aspects of environmental questions, UNEP would require access to greater expertise and provision of adequate financial resources."[6] The Executive Director does not believe UNEP has resources adequate to do the task set out for it.

56. The Executive Director is, of course, very sensitive to the problems of UNEP's main contributors during a period of economic recession. It is to be hoped, however, that they and the rest of the world are now emerging from that recession and there is some prospect that they will be in a better position soon to increase contributions. At the same time, she is sensitive also to another disturbing fact: the gradual decline in the number of countries contributing to the Environment Fund and additionally the disproportionate share that some of the current contributors are providing. This cannot be regarded as a fair distribution of the burden. Only 55 countries have so far paid contributions to the Environment Fund for 1992 out of 180 members of the United Nations. That is not enough and she urges all countries to make a contribution; even the smallest could make some contribution to demonstrate their support to the organization.

57. On the subject of financing, the Council will recall that in decision 16/44, it asked the Executive Director to consider ways of ensuring a more stable and wider basis for voluntary contributions to the Environment Fund. In that connection recently, a report to the Secretary-General of the Independent Advisory Group on United Nations Financing co-chaired by Shijuro Ogata and Paul Volcker entitled "Financing an Effective United Nations", recommended that: "The voluntarily funded agencies should seek a larger proportion of their funding from multi-year, negotiated pledges."[7] And it also proposed that: "In the interest of greater co-ordination and administrative responsibility, all U.N. programs that are currently funded by voluntary contributions alone should have their administrative expenditures financed by assessed contributions". If a more stable and wider basis of financing could be found, perhaps the achievement of an overall higher level of contributions to the Environment Fund would also be possible. The Executive Director would welcome the Council members' views on whether they believe these recommendations would provide a future avenue for UNEP's funding.

58. Given the additional burdens placed upon UNEP and the words of support that UNEP was given by Heads of State and Government at UNCED, it has to be a matter of concern that there are suggestions from the Committee of

Permanent Representatives during recent meetings that the earlier target for contributions should now be set aside and that Governments should talk of contributions to the Environment Fund being restricted to a level substantially below the 1992 target set by the Governments themselves at the Council's fifteenth and sixteenth sessions. To say that the new assumption should be zero growth for the next years is hard to accept, for it is consistent neither with the organization's needs nor with the statements delivered by Heads of State and Government at UNCED. It is to be hoped that the Council will look at the financial position of the organization forthrightly and positively, bearing in mind the above-mentioned need to define priorities more precisely.

F. *The challenge ahead*

59. The financial situation described above potentially looms as a significant barrier to the world community and to UNEP in achieving the aims of UNCED. The end of the Cold War and the results of UNCED appeared to have opened the door for a full-scale assault on the scourges of poverty, population growth and environmental degradation through the pursuit of sustainable development. Yet, other conditions, such as national disintegration, ethnic differences, poverty and drought, have since been unleashed and they make UNEP tasks much greater than we anticipated. All must understand their personal and national stakes in the global environment and continue to press to elevate these issues to the high national and international priority they require. UNEP must continue to lead in this effort even within stringent financial conditions and occasional scientific uncertainty.

60. The challenge must be addressed within a partnership between North and South, concentrating on implementing the UNCED agenda and working on a clear set of priorities within which constructive results can be delivered, and seeking to find new and more efficient ways to get those results. If this is done, the Governing Council at its seventeenth and future sessions can help to readjust UNEP's course to meet the pressing challenges that lie ahead.

Notes

1 *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8), vol.I, resolution 1, annex II.

2 *Ibid.*, annex I.

3 See UNEP/GC.14/13, annex.

4 See Agenda 21, para. 38.23.

5 See Agenda 21, para. 38.21.

6 See Agenda 21, para. 38.23.

7 *See Financing an Effective United Nations. A Report of the Independent Advisory Group on U.N. Financing* (Ford Foundation, February 1993), p.26.